

Testimony for Randy Koetter
Koetter Woodworking
U.S. House of representative
House Agriculture Committee
Scottsburg High School
July 28, 20006

The following is the testimony of Randy Koetter, CEO of Koetter Woodworking, Starlight, Indiana.

I. Introduction

Good morning Mr. Chairman and Members of US Agriculture Committee. Also welcome to Southern Indiana. I would like to first thank my Congressman Mike Sodrel for his leadership in having this committce hosted here in my home area.

Koetter Woodworking was started in 1959 by Tom and Mary Francis Koetter, my parents. We now have been in business over 47 year. The business is operated by my four other brothers and me. We have over 750 team members as employees with facilities in Indiana and Kentucky.

Our business focus is hardwoods. We produce cabinet, furniture components, architectural millwork, hardwood flooring, molding, and doors. In fact one of our subsidiaries restored the flooring and some molding in the oval office of the White House and the East Room of the Whitehouse last year.

Our family is dedicated to the support, practice and educates the importance of sustainable forest management, which ensures the proper use of our woodlands for generations to come. Our family developed the Forest Discovery Center next to Koetter Woodworking as an education and entertainment facility that is open to educate the public on importance of the hardwood industry and keeping hardwoods as a rencwable resource. The Forest Discovery Center visitation will average 30,000 school age children along with general public through the year.

Now some brief background information on our industry and issues that affect our industry.

II. Indiana Forest Resources - Background

Forestland accounts for 20% of the land in Indiana of which 85% is comprised of private land owners. Forestry means 54,000 jobs and \$9 billion to the state's economy annually. I have attached background information.

III. Forestry needs for the 2007 farm bill

Suggestions on improving the farm bill.

1. Continue and strengthen the forestry title of the farm bill.
2. Allow for reinvestment tax credit and or allowance to purchase and develop new equipment that can improve efficiencies and reduce waste. This issue is critical and has an impact when making business decision on rather to import various products or to produce here in Indiana. This will allow the smaller producer to drastically reduce waste and increase production out of each piece of timber.
3. Increase federal research. The research focus on wood utilization – product research, development activities, support and technology transfer is critical to our industry. In fact our Senator Richard Lugar has been a leader on this issue.
4. Develop a 30 year carbon credit for hardwood tree planting initiative.
5. The need for a tax credit incentive for landowners to keeping their land in forestry is equally important. This could be done by some form of direct payment for environmental service for natural tree stand management. Return of cost share funding for timber stand improvement is critical in keeping our most valuable renewable source. Trees.
6. Access to world trade. We need a level playing field.
7. Access to public lands to make better tree management and forestry practices on those properties. These practices will decrease the like hood of disease and fire while supporting good conservation practices.

Thank you for your time and consideration. I will answer any questions.

Highlights

- The contribution of forests to the Indiana economy is over **\$9 billion** annually.
 - Forest-based manufacturing provides over **\$8 billion in value of shipments**. This is about 6 percent of the Statewide value for manufacturing.
 - Forest-based recreation and tourism expenditures contribute **\$1 billion**.
 - Sale of trees generates estimated revenue of **\$175 million**.
 - The sale of associated forest products, such as Christmas trees, maple syrup, and firewood, contributes nearly **\$25 million**.
- Forest-based manufacturing provides employment for over **54,000 people** and generates payrolls of over **\$1.4 billion annually**.
- **4.3 million acres** in Indiana are categorized as timberland.
- Each **1,000 acres** of timberland in Indiana directly supports **12** forest-based manufacturing jobs.
- For every acre of Indiana timberland, over **\$340** of direct forest-based manufacturing payroll is generated annually.

RANDALL F. KOETTER
President & CEO

Randall F. Koetter has more than 27 years of experience in the wood industry. Since 1978, Randy has worked in the family woodworking business along with his parents and four younger brothers. Through the years, he has had the opportunity to work in and oversee all aspects of the business from transportation to operations to sales and marketing. Randy currently serves as President of Koetter Woodworking, Inc. During his time as President, sales have grown from \$55 million to \$85 million and shareholder value has increased from \$26 million to \$50 million. In addition to his role as President, Randy facilitates a 3-day course of The Seven Habits of Highly Effective People for his team members on a quarterly basis. Koetter Woodworking owns and operates three subsidiaries and employs a total of 750 team members.

Randy is a member of the National Hardwood Lumber Association, the Indiana Hardwood Lumber Association, and the Kentucky Forest Industry.

Randy is very active in his community and serves on the Board of Directors for several organizations including Clark County Communities in Schools, Southern Indiana Chamber of Commerce, and Borden Town Park. He is also an active member of St. John's the Baptist Catholic Church located in Starlight, Indiana.

Outside of his professional life, Randy enjoys spending time with his family, reading, and horseback riding.

JUL-18-2006 14:22 From:KOETTER WOODWORKING 8129234555

To:5025836458

P.4/6

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Randall K. Koetter
Address: 533 Louis Smith Rd. Boone TN 37026
Telephone: 912-912-4505
Organization you represent (if any): Koetter Wood Working Inc.

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you:

☒ _____

Signature: Randall K. Koetter

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Randall E Koetter
2. Business Address: 533 Lower Smith Rd Box 2070 47102
3. Business Phone Number: 912-923-8503
4. Organization you represent: Koetter Wood Working Inc
5. Please list any occupational, employment, or work-related experiences you have which add to your qualification to provide testimony before the Committee:
President of Koetter Wood Working
CEO of Kentucky Wood Floors & Koetter Dry Kiln
CEO of Koetter Distribution
Member of NAWA & T-Land Hardwood Lumber Ass.
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
I have experience in the whole supply chain
from growing timber to the distribution of products
in the market place.
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:
CEO & President of Koetter Wood Working

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.